



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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COMMISSIONER OF ADMINISTRATION

April 1, 2004

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2004-43

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Increase to Deferred Compensation and Tax Shelter Annuity Limits
for Calendar Year 2004

For calendar year 2004, the limitations on deferrals under §457(e)(15) of the Internal Revenue Code (ISIS HR plans 457S and 457R) and §403(b) of the IRS code (IT014 403(b) deductions) have changed. The plans have changed from \$12,000 to \$13,000 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. These limits have been increased to \$16,000 for employees age 50 or over. The catch-up limit for the §457(e)(15) has changed from \$24,000 to \$26,000 per year for those contributors who are within three years of retirement but not in the year of retirement. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Note: Employees who work in agencies where both the 457 and 403(b) plans are available may now fully contribute up to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff or their respective 403(b) provider for more information.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. The following two reports are available in ISIS HR to aid in the monitoring of balances:

ZP68	Deferred Comp/Dependent Care Balances Monitor Report
ZP119	403(b) Contributions Balance Report

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Agencies should contact LA Deferred Compensation Plan on questions regarding §457 deductions. Information pertaining to these changes is posted on LA Deferred Compensation's website (http://www.louisianadcp.com/employer/updates_cont.html). Agencies should contact the individual vendor on questions regarding 403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about deferrals and tax shelters. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit at (225):

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Chelette Jarrett

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